

Defense Finance & Accounting Service (DFAS)

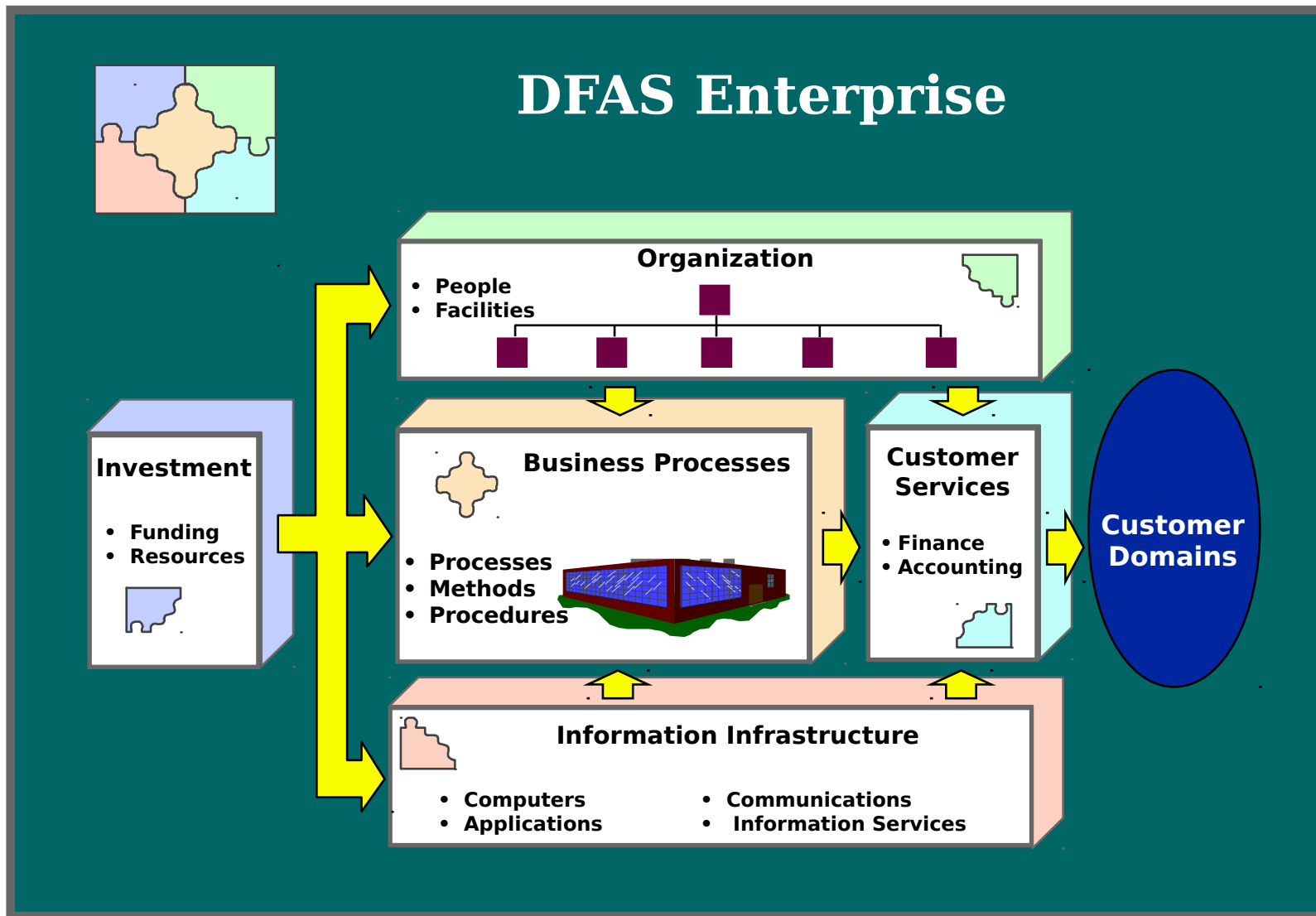


DFAS Technology Update

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May 31, 2000



DFAS Business Model





What Customers Want

- **Responsive/Accurate**
 - » **Entitlement Computation/Disbursing Services**
 - » **Accounting Reports/Services**
- **“Real Time” Access to Data**
- **Data Analysis [Finance, Personnel, Logistics, etc.]**
- **Elimination of Problem Transactions**
- **Unqualified Audit Opinions**
- **Improved “Value”**



Information Technology Trends



- Ubiquitous Computing
- Internet Economy
- Emerging Global Standards [XML, XBRL]
- Virtual Business/Dynamic Partnerships
- Integrated Packages [ERP, CRM, SCM]
- “Digital Kids” Enter Workforce



Information Technology Trends Implications for DFAS



- New Technology at Lower Life Cycle Cost
- Mobile User's 24x7 Demand for Access
- Global Financial Data Interoperability
- Major Shift to Internet Business Practices
- Customer Use of ERPs
- "Digital" World vs. "Analog" World



DFAS IT Priorities



- **Sustain Current Operations**
- **Apply Strategic Initiatives to:**
 - » **Modernize Military Pay Services**
 - » **Provide “Real Time” Customer Data Access**
 - » **Modernize Commercial Pay Services**
 - » **Solve Systemic Financial Operations Problems**
 - » **Achieve Unqualified Audit Opinions**
 - » **Improve Service “Value”**



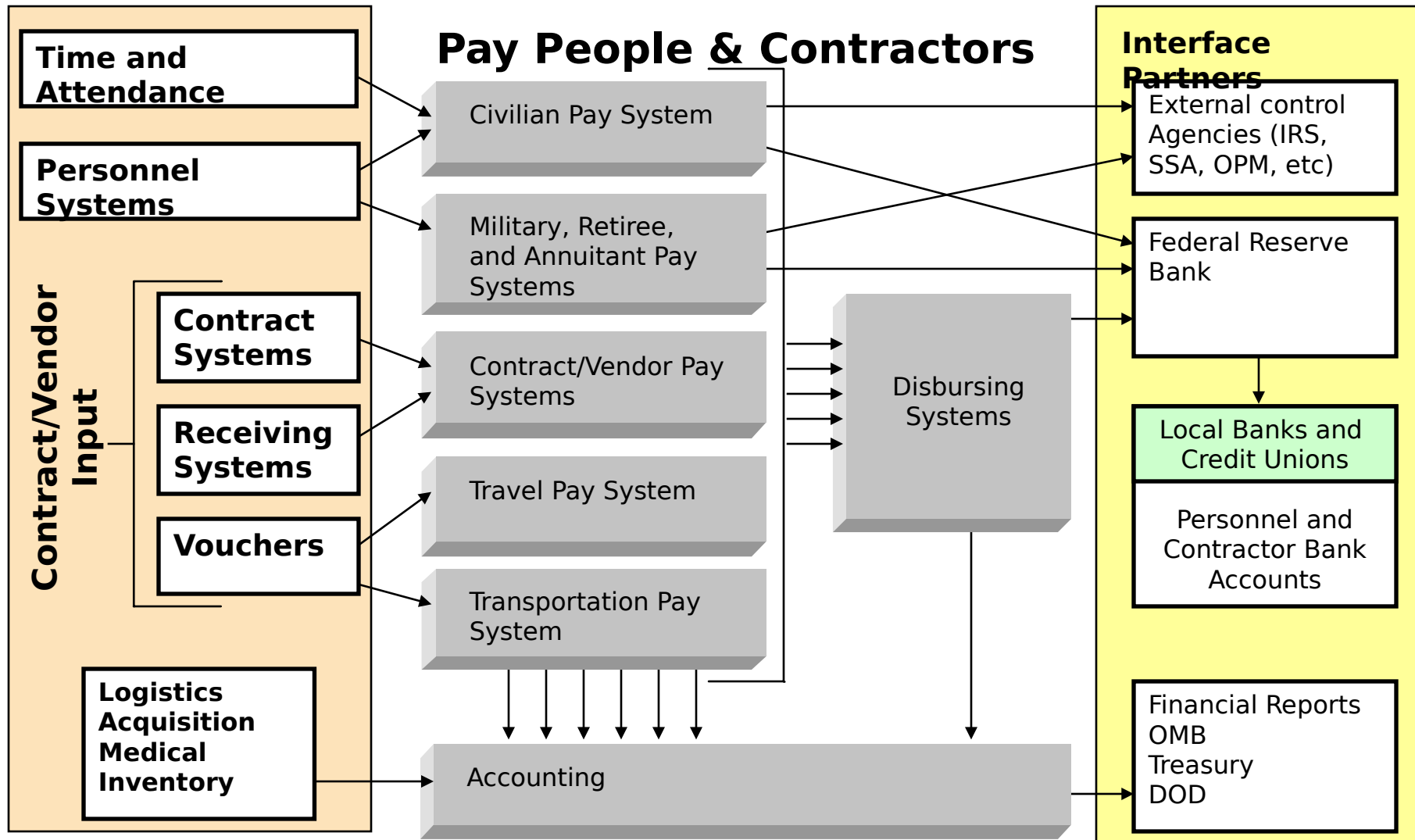
DFAS IM Strategic Initiatives



Strategic Initiative		Description	Key Elements
1	Enterprise Architecture and Information Management (IM)	Establish the framework for effective and efficient management of information and information technology resources, define the enterprise architecture, and institutionalize the IM policy and process	<ul style="list-style-type: none"> Enterprise Information Management Methodology IM Policy and Process Information Assurance IM Knowledge-Based Workforce Enterprise Architecture
2	IM Modernization Portfolio	Establish a process for managing IM portfolio that integrates strategic and tactical business objectives with performance measures to optimize Return On Investment (ROI) for IM investment initiatives	<ul style="list-style-type: none"> Mission Analysis IM Portfolio Management IM Systems Life Cycle Balanced Scorecard Outcome-Based Performance Metrics
3	DFAS Corporate Information Infrastructure Common Environment (DCII-CE)	Establish and evolve the DCII-CE for core financial services building upon the DFAS Common Operating Environment (COE) and DoD standards	<ul style="list-style-type: none"> Mission Applications Interoperability and Infrastructure Services DFAS Corporate Database (DCD) DFAS Corporate Warehouse (DCW) DFAS Corporate Repository (DCR) DFAS COE
4	Systems Migration, Modernization, & Integration	Modernize, migrate, and re-engineer finance and accounting systems and end-to-end business processes into to the DCII-CE integrating with Defense, national, global infrastructures	<ul style="list-style-type: none"> DCII Management and Control Migration Planning and Implementation Systems Evolution by Business Case Reengineered Business Processes Feeder Systems Evolution
5	Software Acquisition and Engineering	Establish and mature the processes for acquiring, developing, installing, and maintaining quality, cost effective software to support DFAS mission and meet customer needs	<ul style="list-style-type: none"> Customer Partnership Software Engineering Process Software Engineering Environment Software Acquisition Process Performance Management
6	IM Operations	Provide cost-effective acquisition of IM services and efficient and effective day-to-day IM operations	<ul style="list-style-type: none"> Communications Capabilities Computing Controls



DFAS Functional Relationships





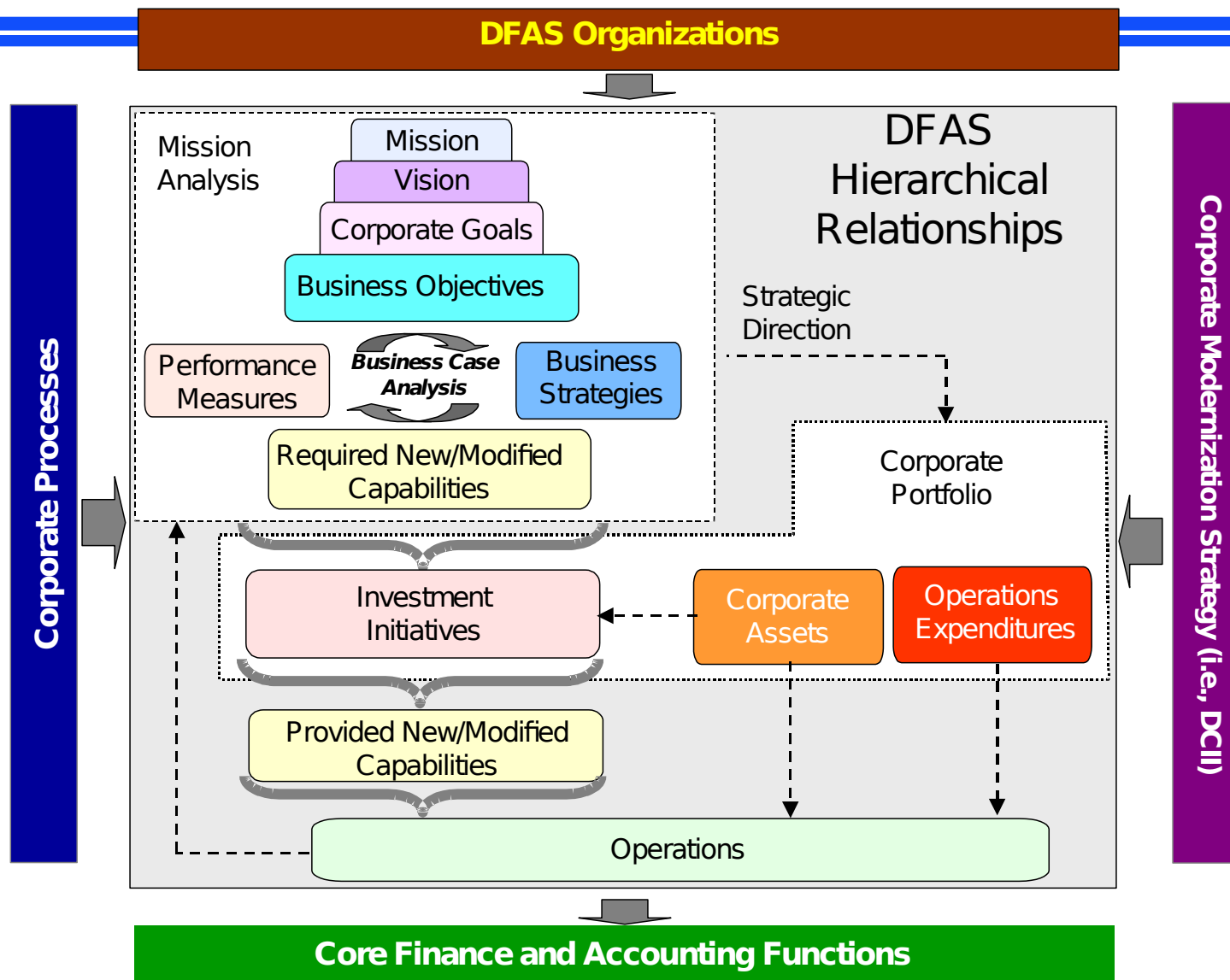
JFMIP Integration Characteristics

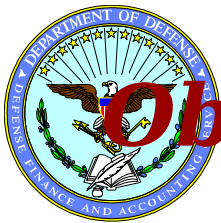


- **Common Data Elements** - Used to the extent possible for collection, storage and retrieval
- **Common Transaction Processing** - Common processes, consistent application
- **Consistent Internal Controls** - Data entry, transaction processing, and reporting
- **Efficient Transaction Entry** - Enter data once, update and/or make available where and when needed through electronic means

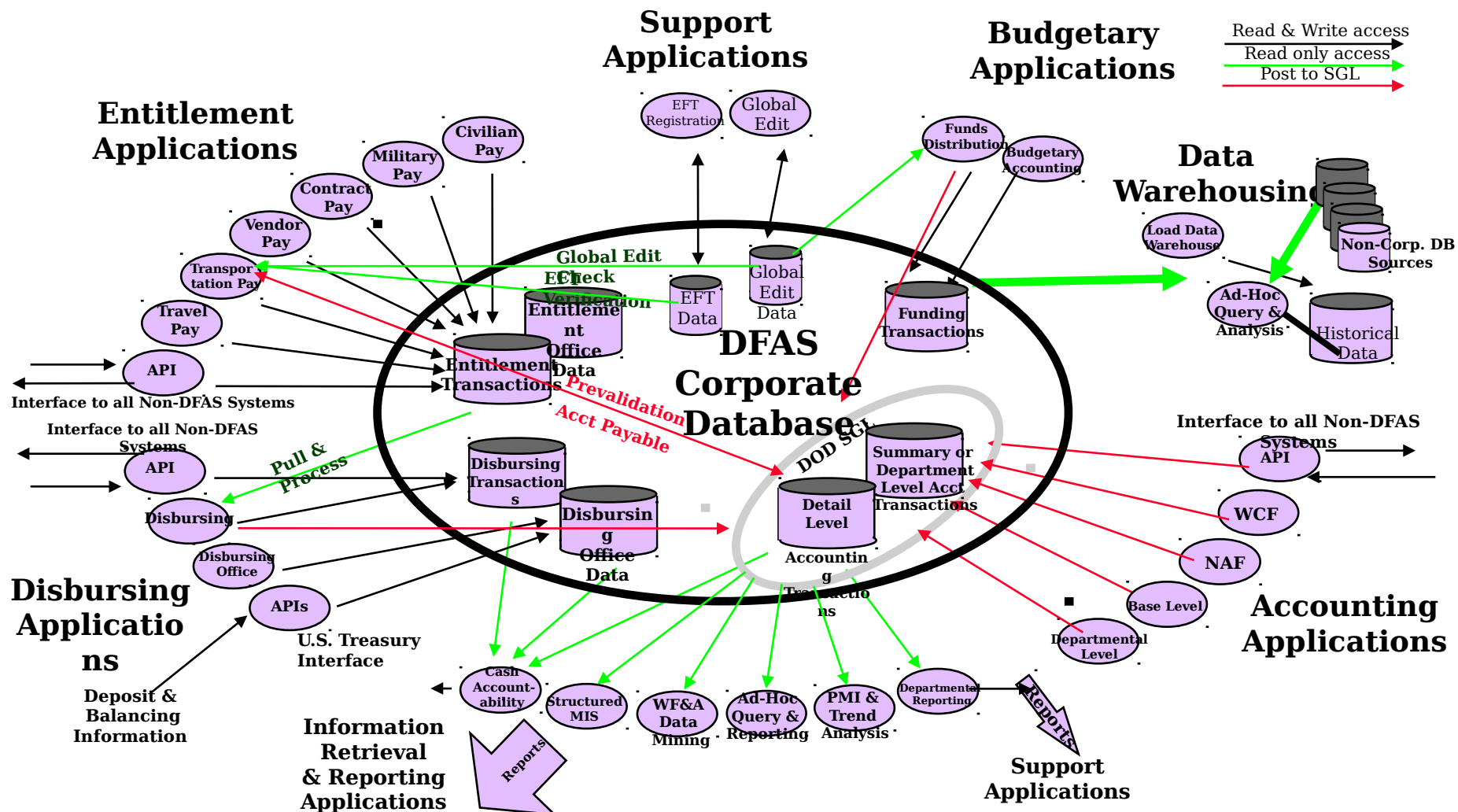


DFAS Portfolio Management



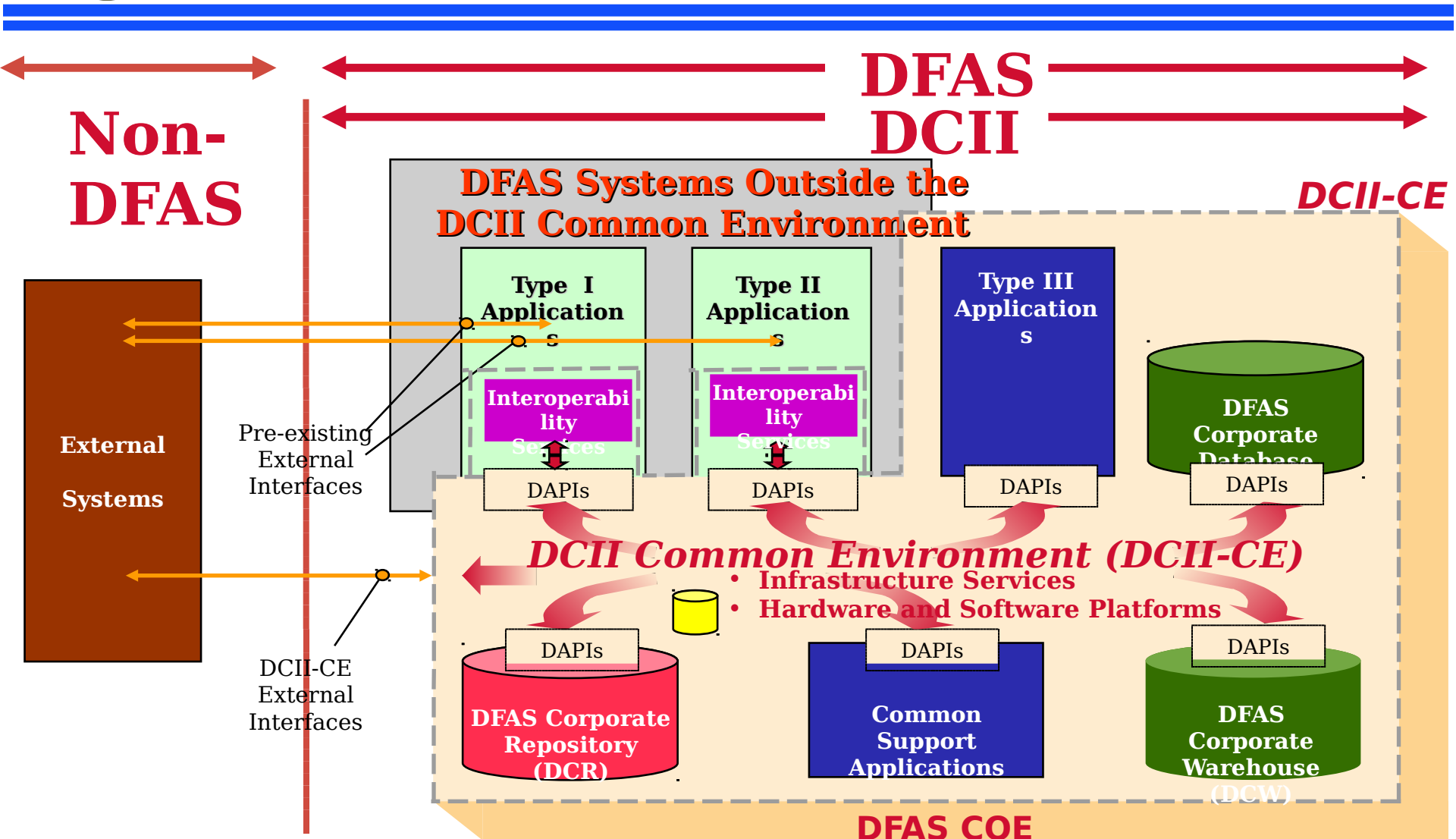


Objective Integrated Environment





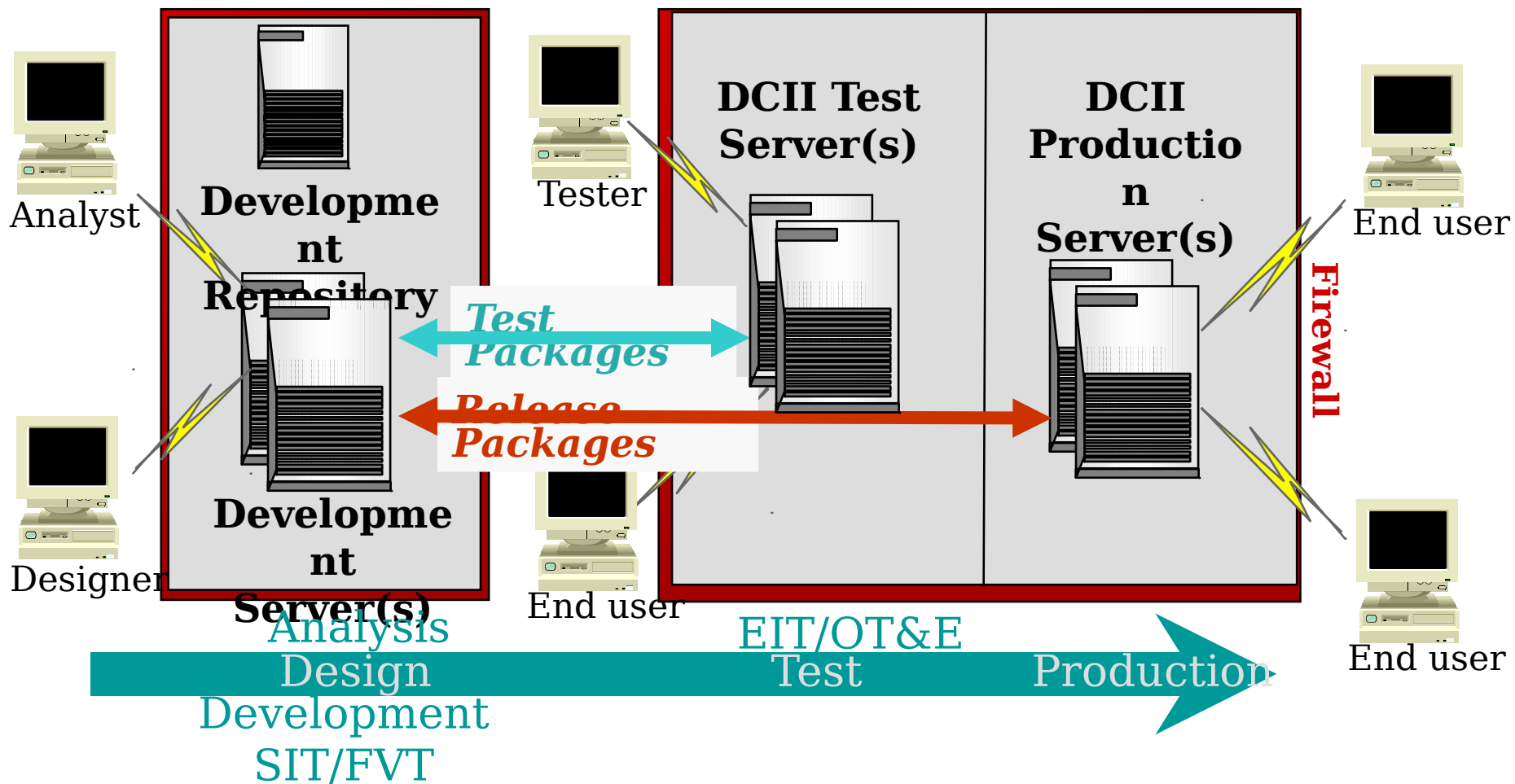
DCII Concept



= Data staging areas as required to support process

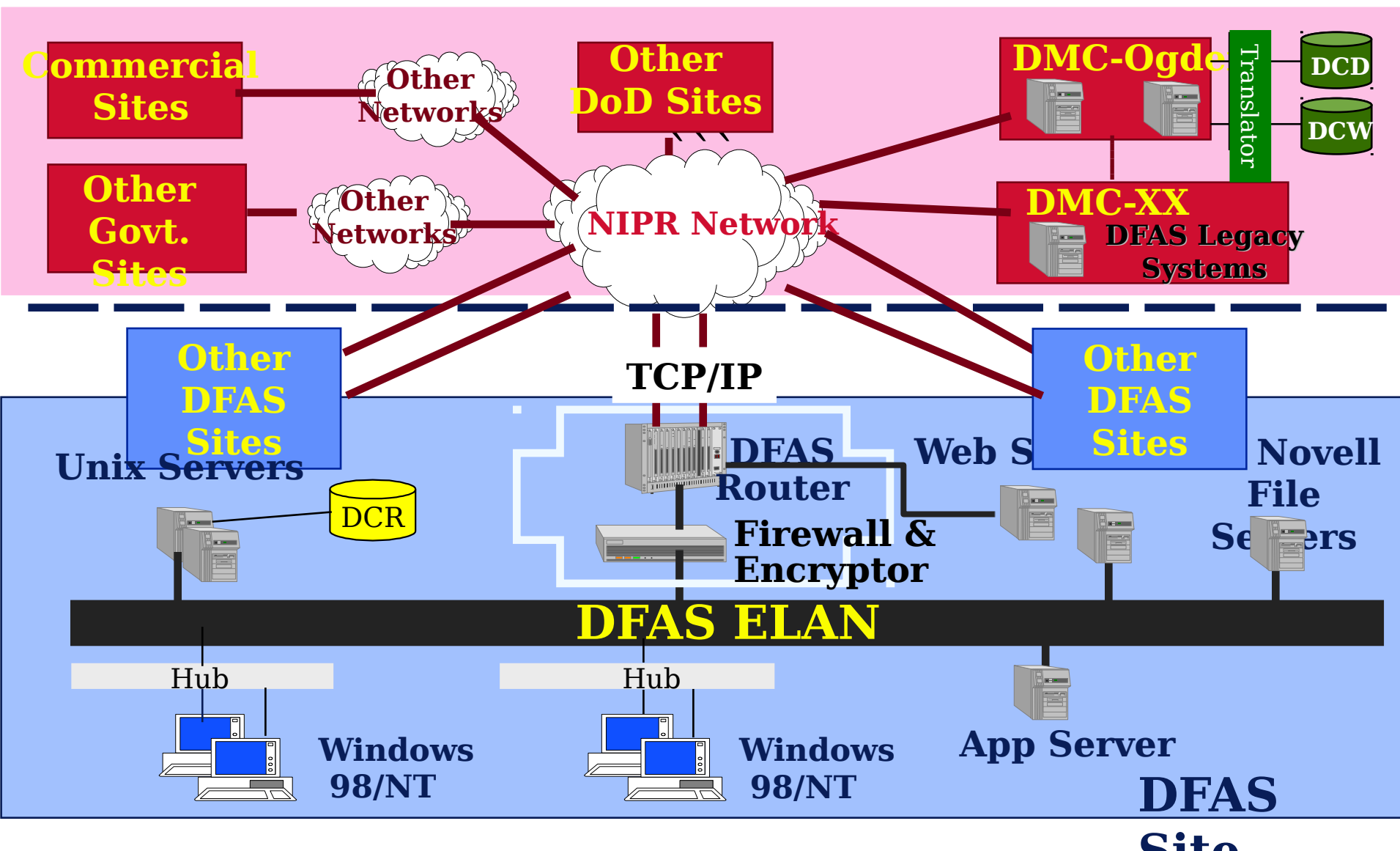


DCII Physical Environment





DCII Architecture





DCII Standard Components



- **Corporate-Wide Novell Network**
- **Firewalls/Encryption**
- **NIPRNET/SIPRNET - Long-Haul Connectivity**
- **All Customer Supporting Systems Operate Using Defense Megacenter Resources**
- **Corporate-Wide Software Licenses:**
 - **Microsoft Word, Excel, PowerPoint, Project Manager**
 - **Microsoft Exchange/Outlook**
 - **Oracle DBMS**
 - **COGNOS (Impromptu/Powerplay) OLAP Tools**



Information Assurance



Assess

Identify vulnerabilities and risks

- Certification & Accreditation
- Vulnerability Assessment

Team

Detect

Detect security incidents

- Intrusion Detection & Monitoring
- Audit logs
- Automated Intrusion Detection

Respond

React and respond to incidents

- VAT Provides Recovery Services
- VAT Implements Patches
- Incident Reporting Procedures

Protect

Protect from unauthorized access, loss, or alteration

- Policy
- ELAN Architecture
- LAN -WAN / Firewalls
- Closing the "Back Door"
- Router-to-Router Encryption
- Enabling PKI-Based Solutions

Education, Training, & Awareness

Give people knowledge and skills

- Annual User Awareness Training
- C&A Training
- IA Training and Certification Plan

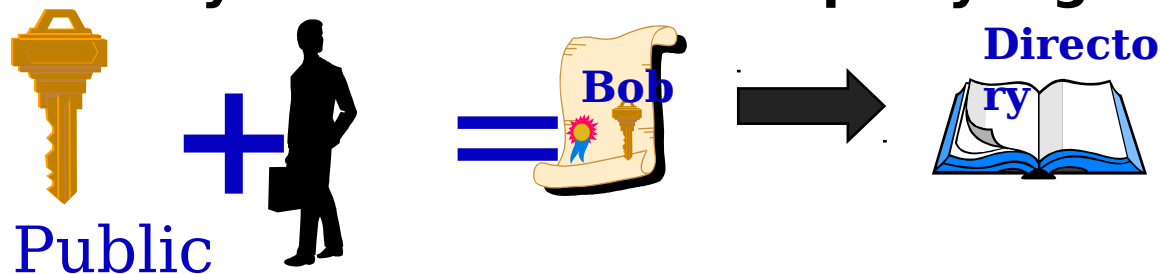


Public Key Infrastructure

Generate public / private key pair:



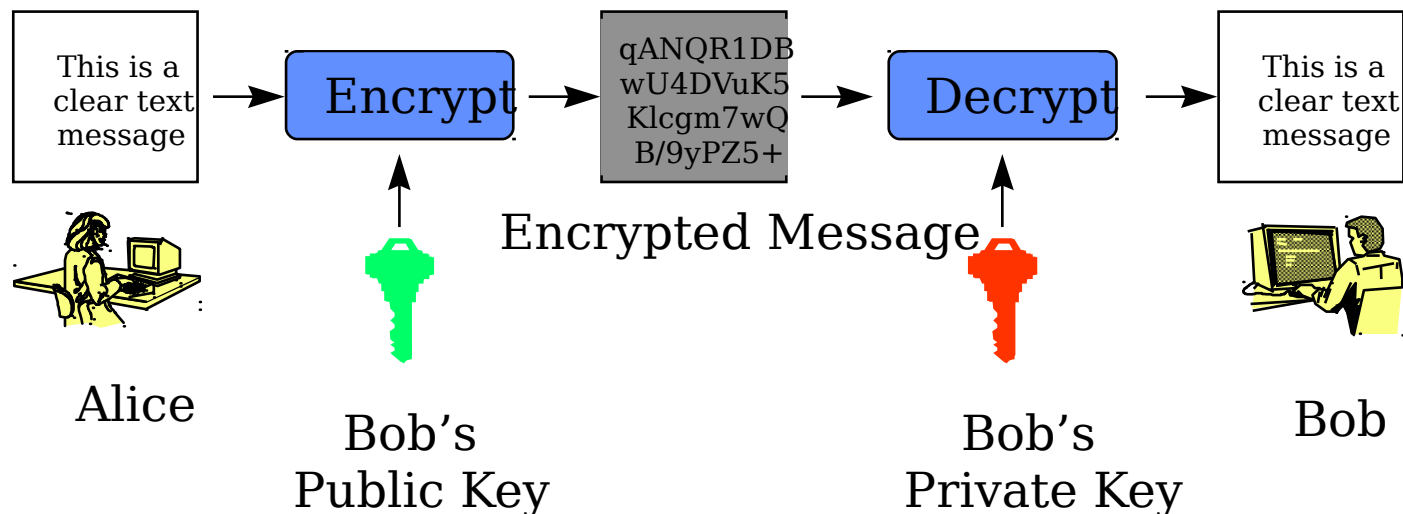
Public key + Name + 3rd party signature = CERTIFICATE



A PKI Generates, Publishes, & Maintains Certi

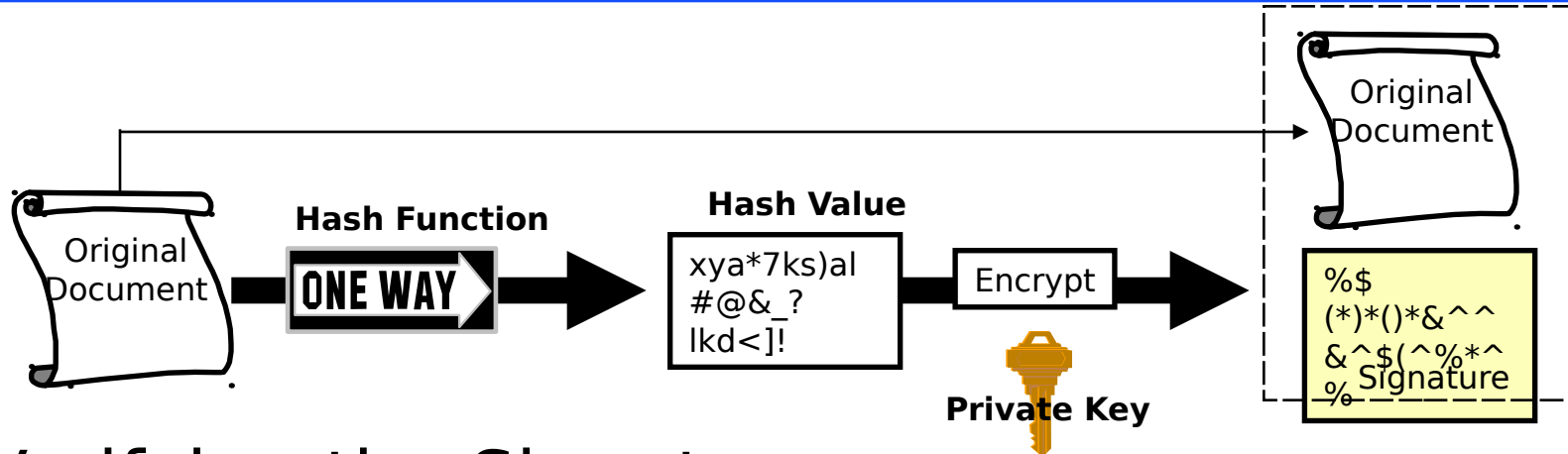


Public Key Encryption

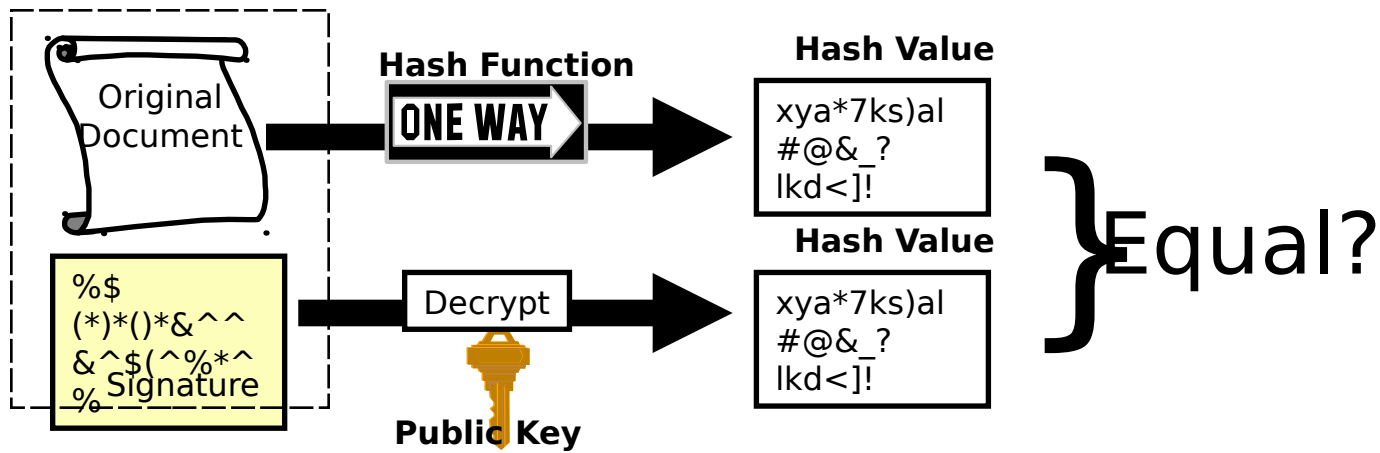




Signing a Document

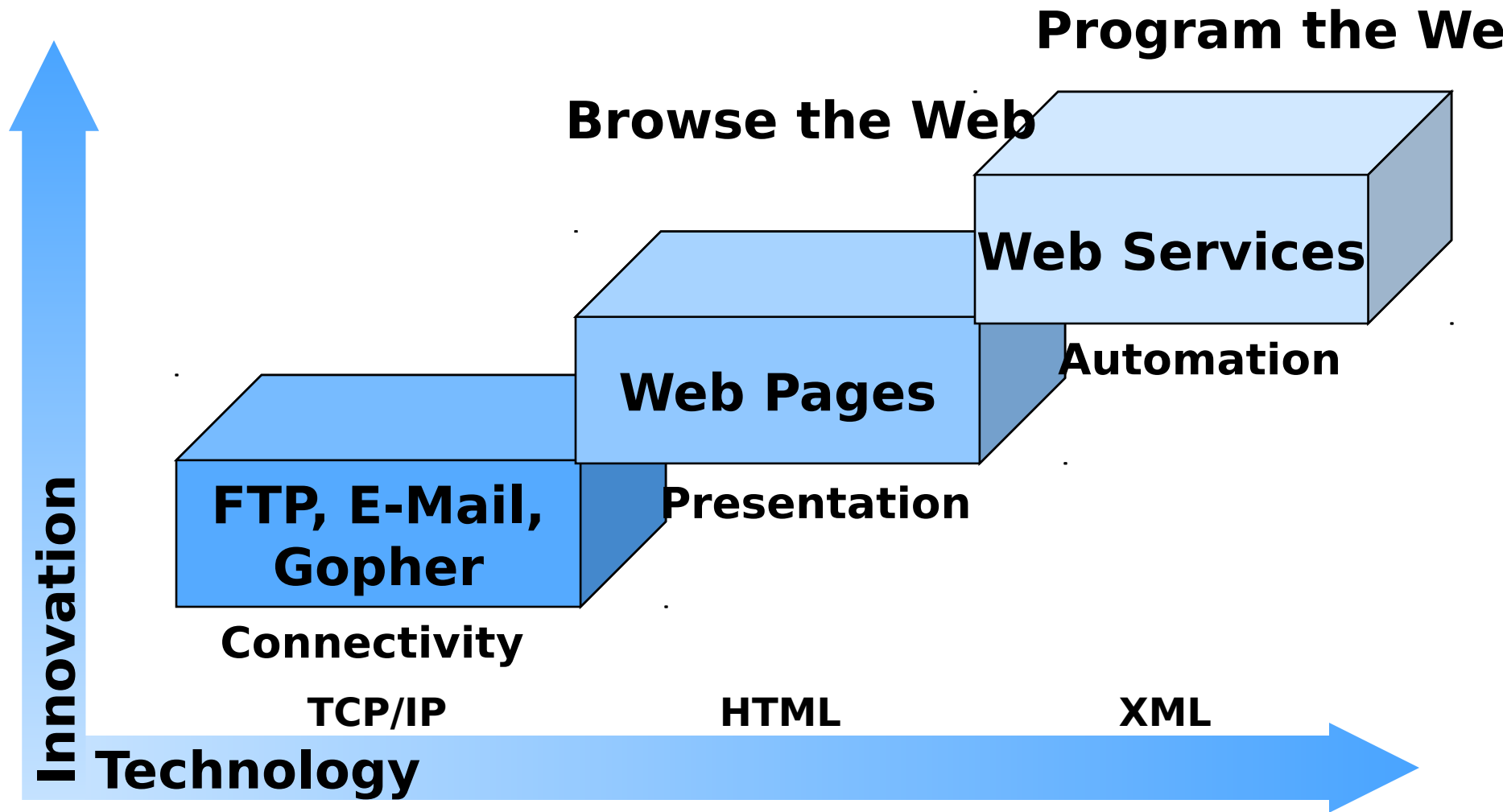


Verifying the Signature





Evolution to Web Services





XBRL: Extensible Business Reporting Language

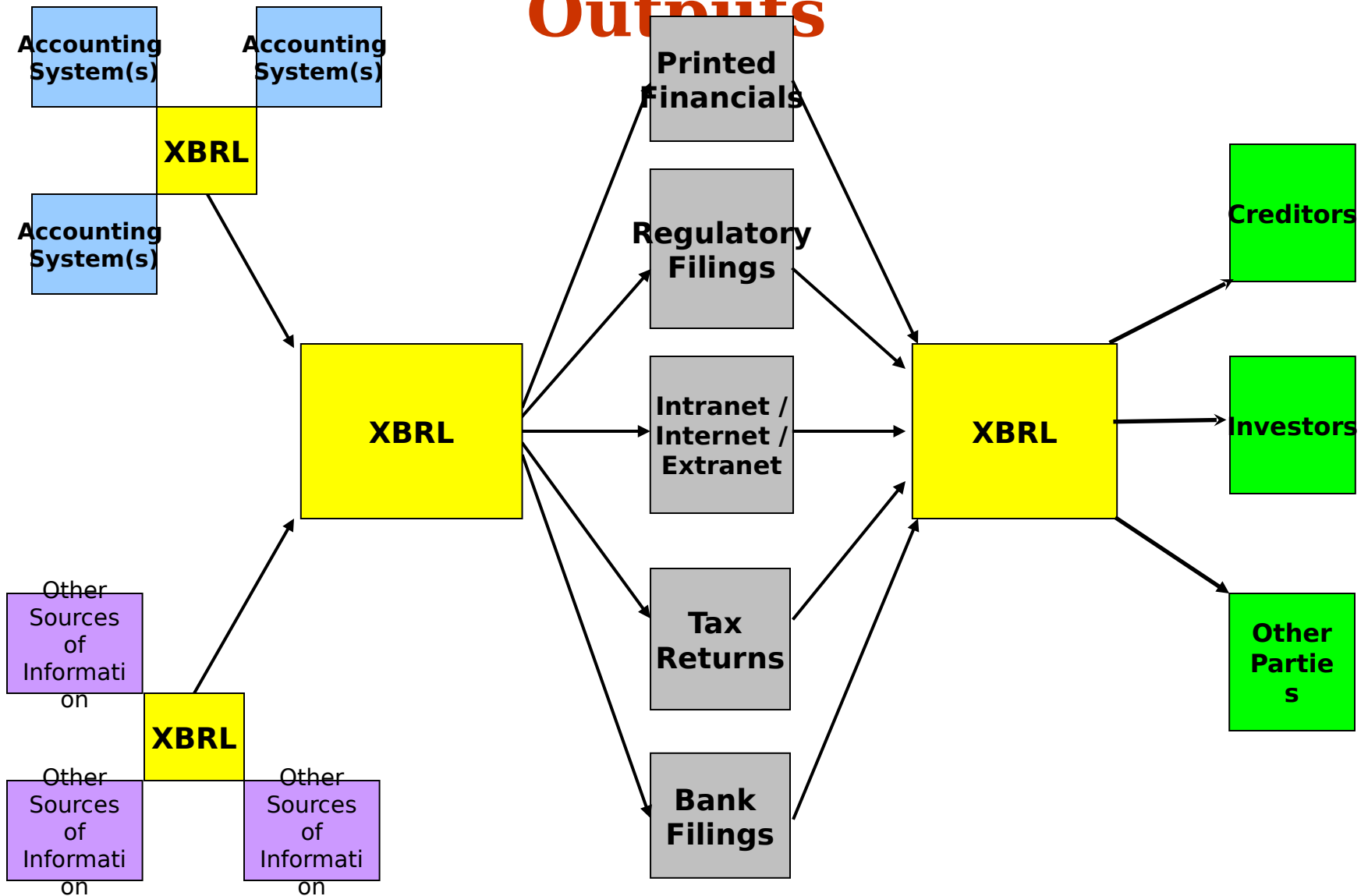


***XBRL** is a universal e-business language*

for financial information, reporting and analysis.

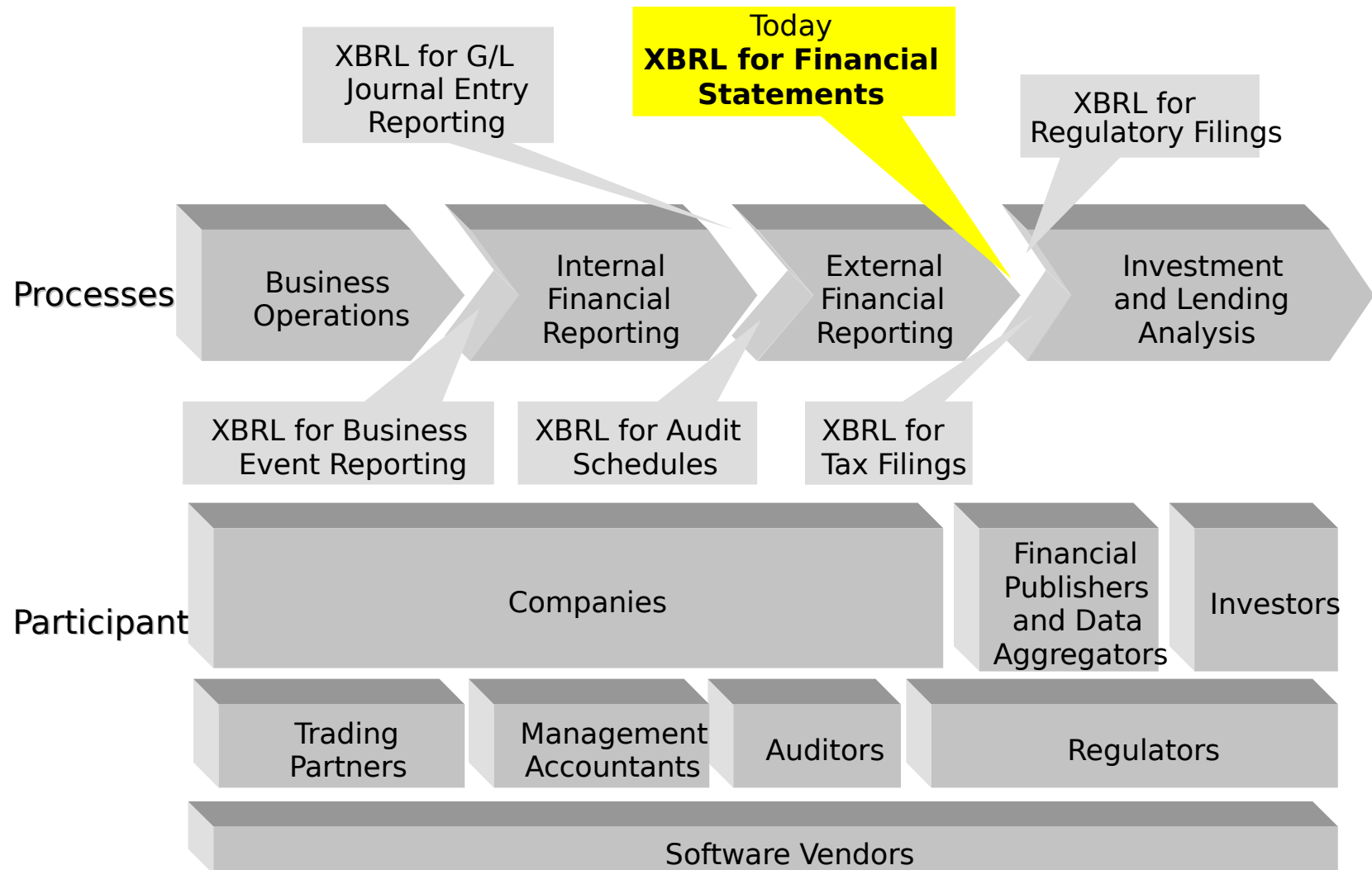
- **HTML** is the language that opened up the Internet.
- **XML** is the next step to using the Internet for business.
 - » E.g., *RosettaNet* – for the computer manufacturers supply chain
 - » E.g., *IMS Global Project* – for online/distributed learning
- **XBRL** is a unique type of XML. *XBRL enables financial reporting to be processed in Internet time.*
 - » XBRL Financial Statements can be...
 - Prepared and analyzed by finance efficiently
 - Audited more easily
 - Exchanged with contractors and partners reliably
 - Published effortlessly
 - Reviewed by regulators quickly
 - Retrieved by investors and creditors simply

XBRL: Interoperability & Multiple Outputs



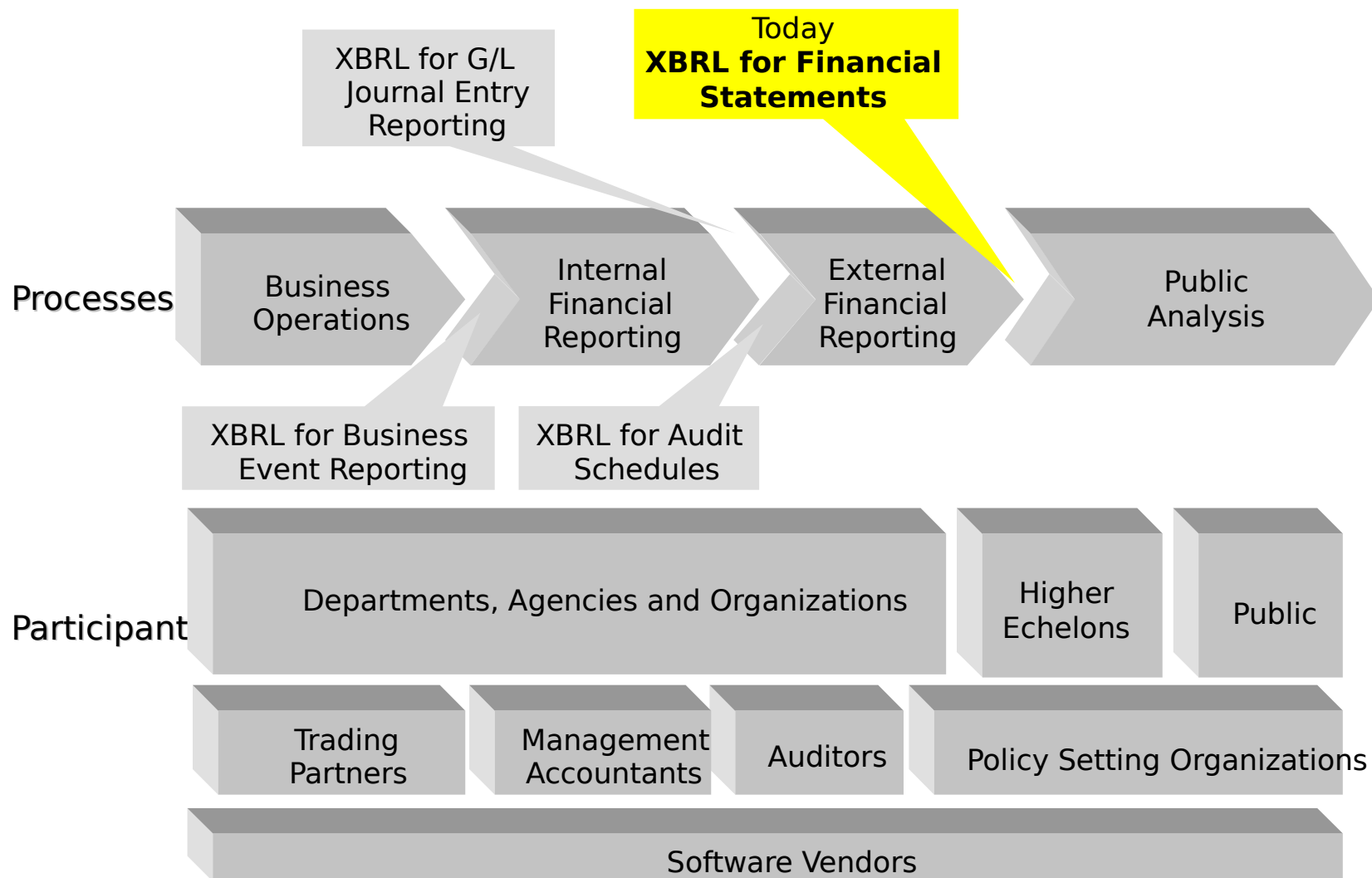


XBRL Commercial Model





XBRL Government Model





Detailed Presentations



Session Number

- 13 - Finance - Partnerships/Future Improvements [Jerry Hinton]
- 14 - DFAS Systems - Tomorrow's Technology [Kathy Noe]
- 15 - Partnering to Reduce Problem Disbursements [Bob McNamara]
- 22 - Web Systems Security [Clarence Hoop]
- 24 - Information Warfare [Clarence Hoop]
- 33 - Now That I Have a Smart Card... [Mary Snavelly-Dixon]
- 56 - Advancing Federal & Defense eBusiness [Paul Grant]
- 57 - Deploying the Common Access Card...[Clay Robinson]
- 59 - Information Assurance - DoD Strategy [Richard